

# State of Connecticut

## SENATE

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February 10, 2009

Chairman Gary LeBeau, Chairman Jeff Berger, Ranking Member L. Scott Frantz, Ranking Member Mike Alberts and other distinguished Members of the Commerce Committee

Thank you for the opportunity to provide testimony in support of SB 494, An Act Concerning a Study of Tax Policy.

In this dire economic time, a comprehensive study of Connecticut's tax policy is vital in creating future policies that promote growth in populations, businesses and the economy.

The General Assembly's top priority must be to create an environment where businesses can grow and families can prosper. Connecticut's tax policy has a direct correlation to its economic health. Analyzing the impact of Connecticut taxes will be the first step in understanding and reforming the tax burden on Connecticut businesses and families.


Over the last two decades, Connecticut has risen to the top of national rankings as the most taxed state. Despite a minimal change in population, the state's budget has nearly doubled in the last 10 years due to an unprecedented growth in spending. Connecticut taxpayers pay federal, state and local taxes that, combined together, are the highest anywhere. The accumulative tax burden on Connecticut residences may be putting Connecticut families and businesses at the tipping point. The decision to remain in Connecticut or relocate out of the state is now too often the topic discussed around Connecticut's kitchen tables.

I have received several constituent correspondences that expressed the desire to bring business to Connecticut. However, they are concerned with Connecticut's tax policy. This study will begin to address the tax issues potential business owners may have when contemplating business growth in Connecticut. Connecticut needs a tax policy that retains, attracts and cultivates businesses. It is my hope new data can be identified to provide policy makers the information and tools to craft beneficial legislation to help our state thrive.

This bill will conduct a study that revisits Connecticut's tax policy in order to identify the tax incentives and disincentives for Connecticut's businesses and families. The General Assembly needs to analysis the tax policies of other states and find ways to reform its own policies to provide a better option for businesses and families.

Thank you for your consideration of this proposal.

Sincerely,

  
Toni Boucher  
State Senator

TB:SB

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